

CHANGING OUT THE MENU

MARCH 2018 

While the overall food market remained solid with global food prices posting 8.2% year-over-year gains, rising freight costs cut into late-year U.S. profit margins. Consumers drove prices in both directions, setting record highs for lobster prices, but losing their taste for organic milk. And prices for main staples meat, sugar, and chicken saw declines as overproduction, driven by last summer's peak, forced a price reset.

DRIVING PRICES



▲ FREIGHT FEES
DUE TO FUEL COSTS AND
LABOR & TRUCK SHORTAGES
Driving food costs up and
lowering Q4 profits



▲ 44¢ PER GALLON
AVERAGE U.S. DIESEL PRICE
2017-2018 YOY



**+ \$200 MILLION ADDED TO
TYSON FOODS' 2018 COSTS**
DUE TO SHORTAGE OF
TRUCKS AND DRIVERS

PACKING ON THE PROTEIN



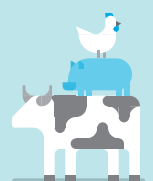
222.2 LBS.
ANTICIPATED 2018 RED MEAT AND
POULTRY CONSUMPTION PER AMERICAN
Surpassing the 2004 record of
221.9 pounds per person
Source: USDA



▲ 7%
U.S. WHOLESALE BEEF PRICES
JANUARY 2018 YOY



▼ 0.9%
U.S. WHOLESALE PORK PRICES
JANUARY 2018 YOY



OVER 100 BILLION LBS.
TOTAL 2018 DOMESTIC MEAT PRODUCTION
First time ever, due to lower feed prices



▲ 1.5% TO 2.5%
U.S. RETAIL BEEF PRICES
PROJECTED FOR 2018



▲ 4.9%
PORK PRODUCTION
2017

HIGH TIDE



**◀▶ STEADY SHRIMP PRICES
IN RECENT MONTHS**
Recovering from previous years when early
mortality syndrome hit farmed shrimp



▲ 10% VOLUME & 12% VALUE
U.S. SHRIMP IMPORTS
2017 YOY



▲ 7%
PROJECTED SALMON PRICES
2018
After problems caused by
algae-impacted global supply



▲ 49%
7-8 OZ. NORTH AMERICAN
LOBSTER TAIL PRICE
MAY 2016 TO FEBRUARY 2018
Highest price recorded in the last 10 years;
driven by lower catch and Chinese demand

PRICES SOUR ON OVERSUPPLY



▼ 10.8%
U.S. RETAIL MILK PRICES
JANUARY 2018 YOY



▲ 2.6%
U.S. CHEESE PRODUCTION
DECEMBER 2017 YOY
1.089 billion lbs.
(Excluding cottage cheese)



▲ 10.1%
U.S. DAIRY EXPORTS
2017
Expected to continue in 2018



▼ 32.5%
ORGANIC MILK PRICE
EARLY 2016-LATE 2017
Hitting hard for dairy farmers who
invested in producing organic milk



▼ 14.7%
U.S. DAIRY IMPORTS
JANUARY-NOVEMBER 2017 YOY



UNSWEETENED



▼ 11%
GLOBAL SUGAR PRICES
DECEMBER 2017 YOY
Due to decreased demand and higher
supply U.S. prices following similar trend
Source: FAO Sugar Price Index

OFF THE COB



▼ 2.6%
U.S. #2 YELLOW CORN PRICE
PER METRIC TON
JANUARY 2018 YOY

FATTENING UP THE AVOCADO MARKET



▲ 96%
U.S. AVOCADO CONSUMPTION
2014-2017
23 million lbs. to 45 million lbs.
per week

WHAT'S THE MARKET HUNGRY FOR?

Although consumers continue to pursue healthier options, investing in those habits carries both opportunity and risk—while half of Americans say they eat organic, 80% admit they don't eat enough fruits, vegetables, and whole grains. Despite these dichotomies, food producers have no choice but to keep refining their menus; trucking food from farm to table is getting expensive, but predicting Americans' next food trend is priceless.

TO LEARN MORE, DOWNLOAD GA'S FOOD MONITOR AT
GREATAMERICAN.COM/RIGHTONTHEMONEY